



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
FLOYD COUNTY SHERIFF**

**Calendar Year 2000**

**EDWARD B. HATCHETT, JR.  
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**EXECUTIVE SUMMARY**  
**AUDIT EXAMINATION OF THE**  
**FLOYD COUNTY SHERIFF**

**Calendar Year 2000**

The Auditor of Public Accounts has completed the Floyd County Sheriff's audit for calendar year 2000. We have issued an unqualified opinion on the financial statement taken as a whole. Based upon the audit work performed, the financial statement is presented fairly in all material respects.

**Financial Condition:**

Net Receipts increased by \$48,563 from the prior calendar year, resulting in a cash surplus of \$81,140 as of December 31, 2000. Revenues increased by \$117,886 from the prior year and disbursements increased by \$69,323.

**Deposits:**

The Sheriff's deposits were insured and collateralized by bank securities or bonds.



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EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

T. Kevin Flanery, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable Paul H. Thompson, Floyd County Judge/Executive

Honorable John K. Blackburn, Floyd County Sheriff

Members of the Floyd County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Sheriff of Floyd County, Kentucky, for the year ended December 31, 2000. This financial statement is the responsibility of the County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff's office prepares the financial statement on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Sheriff for the year ended December 31, 2000, in conformity with the basis of accounting described above.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable Paul H. Thompson, County Judge/Executive  
Honorable John K. Blackburn, Floyd County Sheriff  
Members of the Floyd County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2001, on our consideration of the County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
December 21, 2001



FLOYD COUNTY  
JOHN K. BLACKBURN, SHERIFF  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 2000

Receipts

Federal Grant:		
Cops Grant		\$ 75,926
State Grants:		
VAWA Grant	\$ 33,538	
Body Armor Grant	9,700	
Mentoring Grant	<u>18,433</u>	61,671
State Fees For Services:		
Finance and Administration Cabinet	\$ 128,393	
KLEFPF	<u>46,083</u>	174,476
Circuit Court Clerk:		
Sheriff Security Service	\$ 13,545	
Arrest Fees	<u>2,117</u>	15,662
Fiscal Court		47,466
County Clerk - Delinquent Taxes		21,225
Commission on Taxes Collected		296,591
Fees Collected For Services:		
Auto Inspections	\$ 15,955	
Accident and Police Reports	1,477	
Serving Papers	30,880	
Community Policing	84,708	
Sheriff's Fee for Advertising	6,442	
Sheriff's Add-on Fees	76,987	
Transporting Prisoners	<u>15,005</u>	231,454
Other:		
Carrying Concealed Deadly Weapon Permits	\$ 13,190	
Lake Patrol	18,464	
Payroll Reimbursement	4,800	
Miscellaneous	<u>913</u>	37,367
Interest Earned		15,481
Borrowed Money:		
State Advancement		<u>\$ 32,334</u>
Total Receipts		\$ 1,009,653

FLOYD COUNTY  
 JOHN K. BLACKBURN, SHERIFF  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES  
 Calendar Year 2000  
 (Continued)

Disbursements

Operating Disbursements:

Personnel Services:

Deputies' Salaries	\$ 301,783
Clerks' Salaries	165,787
Mentoring Grant Salaries	18,297
KLEFPF	42,273
Domestic Violence Payroll	4,419

Employee Benefits:

Employer's Share Social Security	44,794
FUTA	5,748

Contracted Services:

Advertising	233
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Materials and Supplies:

Office Materials and Supplies	34,043
Uniforms	27,035

Other Charges:

Conventions and Travel	2,770
Dues	25
Postage	2,060
Carrying Concealed Deadly Weapon Permits	9,350
Vehicle Maintenance and Repairs	102,743
Gasoline	44,820
Bond	1,032
Radio Tower Rent	3,621
Accounting Fees	6,080
Domestic Violence Unit	904
D.A.R.E.	3,718
Transporting Prisoners	6,036
Drug Testing	316
Fiscal Court Fees	2,680
Miscellaneous	695

Debt Service:

State Advancement	\$ 32,334
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Total Disbursements	\$ 863,596
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FLOYD COUNTY  
 JOHN K. BLACKBURN, SHERIFF  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES  
 Calendar Year 2000  
 (Continued)

Net Receipts		\$ 146,057
Less: Statutory Maximum	\$ 63,542	
Sheriff's Incentive Pay	<u>1,375</u>	<u>64,917</u>
Excess Fees Due County for Calendar Year 2000		\$ 81,140
Payments to County Treasurer - January 25, 2001	\$ 60,000	
February 12, 2001	20,846	
March 19, 2001	285	
April 5, 2001	<u>9</u>	<u>81,140</u>
Balance Due at Completion of Audit		<u><u>\$ 0</u></u>

The accompanying notes are an integral part of the financial statement.

FLOYD COUNTY  
NOTES TO FINANCIAL STATEMENT

December 31, 2000

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, certain receipts and certain expenditures are recognized as a result of accrual at December 31, 2000.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

FLOYD COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2000  
(Continued)

Note 3. Deposits:

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2000, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bond which named the Sheriff as beneficiary/obligee on the bond.

Note 4. COPS Grant

During calendar year 2000, the Sheriff received a grant from the federal government under the COPS universal hiring program. The Sheriff received and disbursed \$75,926 during calendar year 2000.

Note 5. Drug Awareness Resistance Education Program

During calendar year 2000, the Sheriff maintained a bank account that contains donations received to fund the advertisement of drug awareness resistance education. The Sheriff did not receive nor disburse any funds during calendar year 2000. The unexpended balance as of December 31, 2000 was \$374.

Note 6. Violence Against Women Grant

The Sheriff received a grant from the Justice Cabinet for calendar years 1999 and 2000 to aide in stopping violence against women. The grant balance was \$9,055 as of January 1, 2000. The Sheriff received grant funds totaling \$30,519, earned \$8 in interest, and expended \$33,538 during calendar year 2000. The grant had a balance of \$6,044 which was paid over to the State Treasurer to close out the grant.

Note 7. Mentoring Grant

During calendar year 2000, the Sheriff received a grant from the Department of Juvenile Justice to mentor at-risk youths. The Sheriff received funds totaling \$18,433 and expended \$18,297 during calendar year 2000 the unexpended grant balance as of December 31, 2000 was \$136.

Note 8. Body Armor Program Grant

During calendar year 2000, the Sheriff received a grant from the Department for Local Government for the purchase of bulletproof vests for the Sheriff's Department. The Sheriff received and expended funds totaling \$9,700 during calendar year 2000.

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REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS







EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS

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Members of the Floyd County Fiscal Court

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards

We have audited the statement of receipts, disbursements, and excess fees of the Floyd County Sheriff for the year ended December 31, 2000, and have issued our report thereon dated December 21, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Floyd County Sheriff's financial statement for the year ended December 31, 2000, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Floyd County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards  
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
December 21, 2001

